

9585

RECEIVED
DIRECTOR

06 DEC -7 AM 10: 51

**WEST CARROLL ASSOCIATION
FOR RETARDED CITIZENS, INC.**

Oak Grove, Louisiana

*Financial Statements
For the Year Ended
June 30, 2006*

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/10/07

DARLA S. TURNER, CPA
A Professional Accounting Corporation
3001 Armand, Suite C
Monroe, Louisiana 71201

**WEST CARROLL ASSOCIATION
FOR RETARDED CITIZENS, INC.
Oak Grove, Louisiana**

**Table of Contents
June 30, 2006**

	<u>Page</u>
Independent Auditor's Report	2
Financial Statements:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Statement of Functional Expenses	6
Notes to Financial Statements	7-11
Schedules:	
Schedule of Findings and Questioned Costs	12
Schedule of Prior Year Findings and Questioned Costs	13
Report on Internal Control Over Financial Reporting and on Compliance And Other Matters Based on an Audit of Financial Statements Performed In Accordance With Government Auditing Standards	14-15

DARLA S. TURNER, CPA

A Professional Accounting Corporation
3001 Armand, Suite C, Monroe, La. 71201
(318) 323-8891

Member:

Society of Louisiana
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
West Carroll Association for
Retarded Citizens, Inc.
Oak Grove, Louisiana

I have audited the accompanying statement of financial position of West Carroll Association for Retarded Citizens, Inc. (a nonprofit organization) as of June 30, 2006, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the West Carroll Association for Retarded Citizens, Inc.'s management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of West Carroll Association for Retarded Citizens, Inc. as of June 30, 2006, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated November 15, 2006, on my consideration of the West Carroll Association for Regarded Citizens, Inc.'s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

DARLA S. TURNER
CERTIFIED PUBLIC ACCOUNTANT

November 15, 2006

**WEST CARROLL ASSOCIATION
FOR RETARDED CITIZENS, INC.**

Oak Grove, Louisiana

**STATEMENT OF FINANCIAL POSITION
June 30, 2006**

ASSETS

Current Assets

Cash and cash equivalents	\$	44,207
Investments (Note 3)		114,713
Accounts receivable		7,760
Prepaid expenses		14,681
Total Current Assets		<u>181,361</u>

Fixed Assets

Land		26,361
Building		41,139
Vehicles		63,791
Furniture and equipment		28,837
		<u>160,128</u>
Less: accumulated depreciation		<u>(111,891)</u>
Total Fixed Assets		<u>48,237</u>

TOTAL ASSETS \$ 229,598

LIABILITIES

Current Liabilities

Compensated absences	\$	<u>2,080</u>
Total Current Liabilities		<u>2,080</u>

Net Assets

Unrestricted:		179,281
Operating		<u>48,237</u>
Property and equipment		

TOTAL NET ASSETS 227,518

TOTAL LIABILITIES AND NET ASSETS \$ 229,598

**WEST CARROLL ASSOCIATION
FOR RETARDED CITIZENS, INC.
Oak Grove, Louisiana**

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2006**

SUPPORT AND REVENUE

Support

Grants and contracts	\$	108,798
Contributions		2,030
Other providers		<u>52,443</u>

Total support

163,271

Revenue

Interest		4,061
Program receipts		41,848
Miscellaneous		<u>1,072</u>
Total revenue		<u>46,981</u>

TOTAL SUPPORT AND REVENUE

210,252

EXPENSES

Program services		153,753
Support services		
General and administrative		<u>75,820</u>

TOTAL EXPENSES

229,573

CHANGE IN NET ASSETS

(19,321)

NET ASSETS, BEGINNING OF YEAR

246,839

NET ASSETS, END OF YEAR

\$ 227,518

**WEST CARROLL ASSOCIATION
FOR RETARDED CITIZENS, INC.
Oak Grove, Louisiana**

**STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2006**

Cash Flows From Operating Activities:	
Change in net assets	\$ (19,321)
Adjustments to reconcile change in net assets to net cash used for operating purposes:	
Depreciation	5,371
(Increase) decrease in receivables	5,450
Increase (Decrease) in other assets	18
Increase (Decrease) in accounts payable	(10)
(Increase) Decrease in prepaid expenses	840
Increase (Decrease) in accrued expenses	<u>153</u>
Net cash provided by operating activities	(7,499)
Cash Flows From Investing Activities:	
Acquisition of equipment and improvements	(5,094)
	<u>(4,061)</u>
Net cash used by investing activities	(9,155)
Cash Flows From Financing Activities:	
	<u>-</u>
Net cash provided by financing activities	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(16,654)
CASH AND CASH EQUIVALENTS - JUNE 30, 2005	<u>60,861</u>
CASH AND CASH EQUIVALENTS - JUNE 30, 2006	<u><u>\$ 44,207</u></u>

**WEST CARROLL ASSOCIATION
FOR RETARDED CITIZENS, INC.**
Oak Grove, Louisiana

**STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2006**

	Program Services	General and Administrative	Total Expenses
Salaries and Related Benefits			
Salaries	\$ 102,499	\$ 45,867	\$ 148,366
Payroll taxes	7,841	3,509	11,350
Health insurance	3,000	1,200	4,200
Worker's compensation	3,039	1,209	4,248
Total Salaries and Related Benefits	<u>116,379</u>	<u>51,785</u>	<u>168,164</u>
Other Expenses			
Insurance	7,261	7,260	14,521
Janitorial	6,431	-	6,605
Legal and accounting	2,232	2,233	4,465
Miscellaneous	189	140	329
Mowing	330	-	330
Office and postage	-	1,643	1,643
QMRP	800	-	800
Commissions and Fees	500	500	1,000
Commissions and Fees-Workers' Compensation	312	634	946
Supplies	4,460	-	4,460
Repairs and maintenance	-	2,485	2,485
Taxes and licenses	104	2,115	2,219
Telephone	203	68	271
Training	269	-	269
Travel	-	498	498
Transportation	11,017	-	11,017
Utilities	3,266	1,088	4,354
	<u>153,753</u>	<u>70,449</u>	<u>224,376</u>
Total expenses before depreciation	153,753	70,449	224,376
Depreciation	<u>-</u>	<u>5,371</u>	<u>5,371</u>
TOTAL EXPENSES	<u>\$ 153,753</u>	<u>\$ 75,820</u>	<u>\$ 229,573</u>

**WEST CARROLL ASSOCIATION FOR RETARDED
CITIZENS, INC.
Oak Grove, Louisiana
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2006**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities:

West Carroll Association for Retarded Citizens, Inc. (the "Association") is a nonprofit organization which was chartered on January 23, 1958, to promote the general welfare of mentally retarded persons (Clients).

The Clients participate and are paid for baking and selling pies to the general public, performing janitorial duties for businesses and ironing for individuals. The market for their products and services is Oak Grove and surrounding areas.

The Association is governed by eight non-compensated directors who serve two-year terms on a rotating basis.

Basis of Presentation:

The financial statements of the Association have been prepared in conformity with generally accepted accounting principles (GAAP).

Basis of Accounting:

The financial statements have been prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when the related liabilities are incurred.

Cash and Cash Equivalents:

Cash is reported at net book value – the June 30, 2006, bank balance plus deposits in transit and less checks that have not cleared the bank as of that date. Investments consist of certificates of deposit which are stated at cost plus interest earned and received to date, which approximates market. If the original maturities of time deposits exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

Income Taxes:

The Association is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3). In addition, the Association has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code.

**WEST CARROLL ASSOCIATION FOR RETARDED
CITIZENS, INC.
Oak Grove, Louisiana
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2006**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Uncollectible Allowance:

The statements contain no provision for uncollectible accounts. Management is of the opinion that such allowance would be immaterial in relation to the financial statements taken as a whole.

Property and Equipment:

Property and equipment purchased or constructed are stated at historical cost. Donated property and equipment are stated at fair value at the date of donation. The Association has elected not to imply a time restriction on donated property and equipment.

Depreciation expense is provided on buildings and equipment on the straight-line method over the following estimated useful lives:

Building and improvements	10 - 35 years
Equipment	5 - 15 years
Vehicles	5 years

Maintenance and repairs of property and equipment are charged to operations while major improvements costing \$500 or more are capitalized. Upon retirement, sale, or other disposition of property and equipment, the cost and accumulated depreciation are removed from the accounts and gain or loss is included in operations.

Support and Revenue:

Revenues received under programs funded by the State of Louisiana are recorded as revenue when the Association has incurred expenditures in compliance with the specific restrictions. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

**WEST CARROLL ASSOCIATION FOR RETARDED
CITIZENS, INC.
Oak Grove, Louisiana
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2006**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

Functional Allocation of Expenses:

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Contributed Services:

The Association receives a substantial amount of services donated by its members in carrying out the Association's operations. No amounts have been reflected in the financial statements for those services as they do not meet the criteria for recognition under SFAS 116, *Accounting for Contributions Received and Contributions Made*.

Compensated Absences:

Full time Association employees will be given one day per month with pay for sick and emergency, or personal leave. Mary Biggs Services employees are given one-half day per month with pay after a six month trial period of employment, for sick and emergency, or personal leave.

NOTE 2. PROPERTY AND EQUIPMENT

A summary of the categories and applicable depreciation at June 30, 2006, is as follows:

<u>Category</u>	<u>Cost</u>	<u>Current Depreciation</u>	<u>Accumulated Depreciation</u>
Land	\$ 26,361	\$ -	\$ -
Building & improvements	41,139	969	33,630
Equipment	92,628	4,402	78,261
Total	<u>\$ 160,128</u>	<u>\$ 5,371</u>	<u>\$ 111,891</u>

**WEST CARROLL ASSOCIATION FOR RETARDED
CITIZENS, INC.
Oak Grove, Louisiana
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2006**

NOTE 3 – CASH AND CASH EQUIVALENTS AND INVESTMENTS

The Association maintains checking accounts and certificates of deposits at local financial institutions. Interest bearing and non-interest bearing accounts at each financial institution are insured by the Federal Deposits Insurance Corporation (FDIC) up to \$100,000 each. The balance of funds held at the local financial institutions as of June 30, 2006, were adequately insured by the FDIC and securities pledged by the bank.

At June 30, 2006, the Association had cash and cash equivalents totaling \$44,207 and investments totaling \$114,713, all deposited in local financial institutions.

Demand deposits	\$ 44,207
Certificates of deposit	<u>114,713</u>
Total	<u>\$158,920</u>

Investing is performed in accordance with investment policies complying with state statutes and the Association's charter. The investments of the Association are categorized to give an indication of the level of risk assumed by the Association at June 30, 2006. The categories are described as follows:

Category 1 - Insured or registered, with securities held by the entity or its agents in the entity's name.

Category 2 – Uninsured and unregistered, with securities held by the counter-party's trust department or agent in the entity's name.

Category 3 – Uninsured and unregistered, with securities held by the counter-party, in its trust department in the entity's name.

All investments are certificates of deposit with maturity dates that exceed ninety days.

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposits insurance must at all times equal the amount on deposit with the bank. These securities are held in the name of the pledging bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2006, the Association had \$158,920 in deposits (collected bank balances). The deposits are secured by \$158,920 of federal deposit insurance (Category 1).

**WEST CARROLL ASSOCIATION FOR RETARDED
CITIZENS, INC.
Oak Grove, Louisiana
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended June 30, 2006**

NOTE 4. ECONOMIC DEPENDENCY

Substantially all of the Association's revenues are derived from the State of Louisiana, under its vocational/rehabilitative services and Title XIX programs. Funding for the service program is provided on a year-to-year basis, with no requirement that the program be renewed at all, or if renewed, that funding levels be maintained or increased.

The Association's contract for the service program with the state contains a number of terms regarding service provision, insurance requirements, etc. Management is of the opinion that the Association is in substantial compliance with those terms. Case managers monitor the Association's records periodically.

NOTE 6. ACCRUED EXPENSES

The accrued expenses consist of compensated absences at the year-end in the amount of \$2,080.

**WEST CARROLL ASSOCIATION
FOR RETARDED CITIZENS, INC.
Oak Grove, Louisiana**

**SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2006**

PART 1 - Summary of the Auditor's Results

Financial Statement Audit

1. The auditor's report expressed an unqualified opinion.
2. There were no instances of noncompliance material to the financial statements of the West Carroll Association for Retarded Citizens, Inc. as required to be reported in accordance with *Government Auditing Standards*.
3. There were no reportable conditions required to be disclosed by *Government Auditing Standards* issued by the Comptroller General of the United States.

Audit of Federal Awards

During the year ended June 30, 2006, there was no federal financial assistance received by the West Carroll Association for Retarded Citizens, Inc.

PART II - Finding(s) relating to the financial statements which are required to be reported in accordance with *Generally Accepted Government Auditing Standards*.

NONE

**WEST CARROLL ASSOCIATION
FOR RETARDED CITIZENS, INC.**

Oak Grove, Louisiana

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2006**

PART 1 - Summary of the Auditor's Results

Financial Statement Audit

1. My auditor's report expresses an unqualified opinion.
2. There were no instances of noncompliance material to the financial statements of the West Carroll Association for Retarded Citizens, Inc. as required to be reported in accordance with *Government Auditing Standards*.
3. There were no reportable conditions required to be disclosed by *Government Auditing Standards* issued by the Comptroller General of the United States.

Audit of Federal Awards

During the year ended June 30, 2006, there was no federal financial assistance received by the West Carroll Association for Retarded Citizens, Inc.

PART II - Finding(s) relating to the financial statements which are required to be reported in accordance with *Generally Accepted Government Auditing Standards*.

NONE

DARLA S. TURNER, CPA

A Professional Accounting Corporation
3001 Armand, Suite C, Monroe, La. 71201
(318) 323-8891

Member:
Society of Louisiana
Certified Public Accountants

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
West Carroll Association for
Retarded Citizens, Inc.
Oak Grove, Louisiana

I have audited the financial statements of West Carroll Association for Retarded Citizens, Inc. , (a nonprofit organization) as of and for the year ended June 30, 2006, and have issued my report thereon dated November 15, 2006. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered West Carroll Association for Retarded Citizens, Inc.'s internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

Compliance

As part of obtaining reasonable assurance about whether West Carroll Association for Retarded Citizens, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the members of the Board of Directors, management of West Carroll Association for Retarded Citizens, Inc. and the Legislative Auditor of Louisiana and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

DARLA S. TURNER
CERTIFIED PUBLIC ACCOUNTANT

November 15, 2006